UNITED STATES DISTRICT COURT FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, et al..

Debtors.1

PROMESA Title III

No. 17 BK 3283-LTS

(Jointly Administered)

This filing relates to the Commonwealth, HTA and ERS.

REPLY OF THE COMMONWEALTH OF PUERTO RICO, PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY, AND EMPLOYEES RETIREMENT SYSTEM OF THE GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO TO RESPONSE FILED BY CLAIMANT MINERVA QUINONES SANCHEZ [ECF NO. 11985] TO THE ONE HUNDRED FORTY-THIRD OMNIBUS OBJECTION (NON-SUBSTANTIVE) TO DEFICIENT CLAIMS ASSERTING INTERESTS BASED UPON UNSPECIFIED PUERTO RICO STATUTES

To the Honorable United States District Judge Laura Taylor Swain:

The Commonwealth of Puerto Rico ("<u>Commonwealth</u>"), Puerto Rico Highways and Transportation Authority ("<u>HTA</u>"), and Employees Retirement System for the Government of the Commonwealth of Puerto Rico ("<u>ERS</u>", and together with the Commonwealth and HTA, the

The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA", and together with the Commonwealth, COFINA, HTA, ERS, and PREPA, the "Debtors") (Bankruptcy Case No. 19-BK-5532-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

"Debtors") by and through the Financial Oversight and Management Board for Puerto Rico (the "Oversight Board"), as the sole Title III representative of the Debtors pursuant to Section 315(b) of the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA"), files this reply (the "Reply") to the response [ECF No. 11985] (the "Quinones Sánchez Response"), filed by Minerva Quinones Sánchez ("Quinones Sánchez"), to the One Hundred Forty-Third Omnibus Objection of the Commonwealth of Puerto Rico, Puerto Rico Highways and Transportation Authority, and Employees Retirement System of the Government of the Commonwealth of Puerto Rico to Deficient Claims Asserting Interests Based Upon Unspecific Puerto Rico Statutes [ECF No. 9936] (the "One Hundred Forty-Third Omnibus Objection"). In support of this Reply, the Debtors respectfully represent as follows:

- 1. On January 14, 2020, the Debtors filed the One Hundred Forty-Third Omnibus Objection, seeking to disallow certain proofs of claim that failed to comply with the applicable rules for filing a claim by not providing a basis for asserting a claim against the Commonwealth, HTA, ERS, or any other Title III Debtor (collectively, the "Deficient Claims"), each as listed on Exhibit "A" thereto. As set forth in the One Hundred Forty-Third Omnibus Objection and supporting exhibits thereto, each of the Deficient Claims purport to be based on obligations owed to the applicable claimant by the Commonwealth, HTA, or ERS, but failed to provide any information identifying the source of the obligations or explaining why the Commonwealth, HTA, ERS, or any other Title III debtor are liable to the claimant.
- 2. Any party who disputed the One Hundred Forty-Third Omnibus Objection was required to file a response by 4:00 p.m. (Atlantic Standard Time) on February 18, 2020, in

² PROMESA is codified at 48 U.S.C. §§ 2101–2241.

accordance with the Court-approved notice attached to the One Hundred Forty-Third Omnibus Objection as Exhibit "C", which was served in English and Spanish on the individual creditors subject to the One Hundred Forty-Third Omnibus Objection, the U.S. Trustee, and the Master Service List (as defined in the *Order Further Amending Case Management Procedures* [ECF No. 8027-1]). Pursuant to the Court's *Order (A) Establishing Extended Deadline for Responses to Omnibus Objections Scheduled for Hearing at December 11, 2019 and January 29, 2020 Omnibus Hearings, (B) Continuing the Hearing as to Omnibus Objections Scheduled for Hearing at December 11, 2019 and January 29, 2020 Omnibus Hearing, (C) Approving Form of Notice and (D) Granting Related Relief [ECF No. 12325], that deadline was subsequently extended until March 27, 2020 at 4:00 p.m. (Atlantic Standard Time).*

- 3. The Quinones Sánchez Response, a handwritten letter, was filed with the Court on February 28, 2020, and docketed as ECF No. 11985 on March 3, 2020. Therein, Quinones Sánchez does not dispute that her proof of claim, which was filed against the Commonwealth on June 29, 2018, and logged by Prime Clerk as Proof of Claim No. 116567 (the "Quinones Sánchez Claim"), asserts liabilities arising out of "Ley 89" and "Ley 96," but does not provide critical information necessary to allow the Debtors to reconcile the Quinones Sánchez Claim, such as an identification of the year of the asserted law, or an explanation of the liabilities Quinones Sánchez contends are owed.
- 4. Instead, the Quinones Sánchez Response requests an extension of time to respond and to provide any necessary documents in light of the January 2020 earthquakes and the subsequent closure of public offices. However, since the filing of the Quinones Sánchez Response, public offices in Puerto Rico reopened, but Quinones Sánchez has still not submitted any documentation in support of the Quinones Sánchez Claim. In response to the earthquakes,

government offices began reopening for business on January 9, 2020, several days in advance of the January 14 Deadline, and two and a half months in advance of the March 27 Deadline. Moreover, Puerto Rico's government offices were not closed in response to the coronavirus pandemic until March 15, 2020, nearly two months after the initial January 14 Deadline. During the intermediate period, the offices of the government of Puerto Rico were open and serving the residents of Puerto Rico.

5. Accordingly, the Debtors respectfully request that the Court grant the One Hundred Forty-Third Omnibus Objection and disallow the Quinones Sánchez Claim in its entirety.

Dated: November 13, 2020 San Juan, Puerto Rico Respectfully submitted,

/s/ Hermann D. Bauer

Hermann D. Bauer USDC No. 215205

O'NEILL & BORGES LLC

250 Muñoz Rivera Ave., Suite 800 San Juan, PR 00918-1813

Tel: (787) 764-8181 Fax: (787) 753-8944

/s/ Martin J. Bienenstock

Martin J. Bienenstock (pro hac vice)

Brian S. Rosen (pro hac vice)

PROSKAUER ROSE LLP

Eleven Times Square New York, NY 10036

Tel: (212) 969-3000

Fax: (212) 969-2900

Attorneys for the Financial Oversight and Management Board for Puerto Rico, as representative for the Commonwealth of Puerto Rico, Puerto Rico Highways and Transportation Authority, and Employees Retirement System of the Government of the Commonwealth of Puerto Rico